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UNCLAS SECTION 01 OF 02 VILNIUS 000313

SIPDIS

STATE PLEASE PASS TO PM; EUR/NB

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TAGS: PREL MCAP MASS LH

SUBJECT: Government of Lithuania request to purchase Dual Mounted Stinger Platform

¶11. Summary: The GOL requested an amendment to an existing contract for the Stinger missile system on 23 March 2005 in order to enhance NATO interoperability and realize a long-term cost savings over the life of the modified contract. Lithuania is requesting the purchase of eight Dual Mounted Stinger (DMS) systems vice the eight Vehicle Mounted Stinger Launch Platform (VMSLP) systems currently on order by the GOL. During negotiations for the initial contract signed in November 2002, the USG informed Lithuania that it would not release the DMS system to non-NATO countries. Post strongly supports Lithuania's request to amend the existing contract in order to acquire the DMS system. End Summary.

A Staunch, Active Ally

¶12. Lithuania fully supports U.S. policies in the Global War on Terrorism and staunchly supports Operation Enduring Freedom and Operation Iraqi Freedom. Most recently, Lithuania volunteered to lead a NATO Provincial Reconstruction Team in Afghanistan, demonstrating its deep commitment to NATO less than a year after accession to the alliance. The Lithuanian Parliament, in September 2004, approved a bill extending its military's participation in Central and South Asia, the Persian Gulf, and the Balkans. Lithuanian Special Operations Forces maintained a nearly continuous presence in Afghanistan from November 2002 to December 2004 and committed to return in 2006. They also recently committed to participate in NATO Reaction Forces -5 and -6. Lithuanians have also served in Kuwait and Iraq since April 2003, and over 100 Lithuanians are currently in Iraq. Since 1994, over 1,300 Lithuanians have participated in Peacekeeping operations in the Balkans. Over 100 Lithuanian troops serve there now. Lithuania continues to transform its military from a territorial, defense-oriented army to an expeditionary style force. Lithuania is committed to having a fully deployable battalion combat team with organic air defense assets ready to support NATO operations by 2006.

Background

¶13. Lithuania signed a \$31.3 million Letter of Acceptance with the USG in November 2002 to purchase the Vehicle Mounted Stinger Launch Platform (VSLPM) Short Range Air Defense (SHORAD) system, a oneofakind system that is being specifically engineered for Lithuania. The acquisition agreement included 60 Stinger missiles and eight vehicle mounted launch platforms. Lithuania initially requested the Dual Mounted Stinger System (DMS), the US and NATO common platform, but was only offered the VSLPM option. During recent discussions with the SHORAD program management office, the Office of Defense Cooperation and the Lithuanian Military confirmed that switching from the current, specially modified VSLPM system to the widely deployed DMS system will greatly enhance Lithuanian interoperability with US and NATO SHORAD systems and will reduce long-term maintenance and sustainment costs over the next ten years. A SHORAD site assessment team has already inspected Lithuanian storage facilities and security systems/procedures and found Lithuania to be in full compliance with the required regulations for safeguarding Stinger missiles.

COUNTRY TEAM ASSESSMENT

¶14. Post provides the following information pursuant to DSCA request for Country Team assessment.

¶1A. The reason the nation desires the articles or services:

-- The amendment of the existing contract will provide Lithuania with the already field-proven DMS system, enhancing its units' interoperability with US and NATO SHORAD units. Acquiring a system that is already widely deployed throughout NATO will also reduce its maintenance and sustainment costs.

1B. The anticipated reaction of neighboring nations:

-- Post does not foresee an adverse affect on neighboring nations. The VMSLP contract was signed in 2002 and there was no adverse reaction from neighboring countries.

1C. The ability of the purchaser to operate, maintain, and support the article. Training required either in-country or in the US and the possible impact of any in-country US presence that might be required as a result of providing the article:

-- Maintenance and operator training is already included in the current contract and the amendment will only require minor modifications to the current training plan, which is still in development. US personnel regularly conduct training events in Lithuania.

1D. The source of financing and the economic impact of the proposed acquisition:

-- There is no negative economic impact. The amendment may entail a slight increase in the existing contract of \$33.1 million in Lithuanian national funds. However, switching to the commonly deployed DMS system will result in a long-term cost savings for the GOL.

1E. Relevant human rights considerations that might bear on the proposed acquisition:

--There are no human rights considerations that bear on this amendment to the current acquisition.

1F. Whether the US government should approve the transfer of the article and reasons therefore:

-- Post recommends approval of Lithuania's request for the procurement of the DMS. These articles will enhance the combat effectiveness of the Lithuanian Army and its ability to deploy a fully integrated Battalion Combat Team by the end of 2006. Acquiring a US common system will also reduce maintenance and sustainment cost for the Lithuanian Stinger Platoons. Agreeing to this request will reinforce the excellent bilateral relationship between our nations and strengthen Lithuanian resolve to support OEF, OIF and Balkan Peace Keeping Operations.

15. This is a fully coordinated country team assessment.

16. POC is LTC McDonough, Chief, Office of Defense Cooperation, jmcdonough@san.osd.mil, 370-5-266-5641